GOVERNMENT OF INDIA
COMMERCE AND INDUSTRY
LOK SABHA

UNSTARRED QUESTION NO:1793
ANSWERED ON:08.08.2006
DUTY FREE IMPORT OF VANASPATI
Deo Shri Bikram Keshari;Gandhi Smt. Maneka;Pateriya Smt. Neeta;Shivanna Shri M

Will the Minister of COMMERCE AND INDUSTRY be pleased to state:

(a) whether vanaspati/vegetable oil is being imported from Sri Lanka and Malaysia at zero duty and without any quantitative restrictions under Indo-Sri Lanka Free Trade Agreement;

(b) if so, whether the Directorate of Vanaspati has recommended an imposition of Tariff Rate Quota on imports of vanaspati from Sri Lanka;

(c) if so, the other recommendations made by the Directorate of Vanaspati;

(d) the action taken by the Government on the recommendations of Directorate of Vanaspati; and

(e) the other steps likely to be taken by the Government to ensure quality control and stop dumping of Vanaspati in the country?

Answer

THE MINISTER OF STATE IN THE MINISTRY OF COMMERCE AND INDUSTRY (SHRI JAIRAM RAMESH)

(a) Vanaspati / Vegetable Oil can be imported from Sri Lanka at zero duty under India-Sri Lanka Free Trade Agreement (ISFTA) which was signed on 28th December, 1998 and became operational from March 2000. However, vanaspati from Malaysia can be imported at MFN duty.

(b) to (e) Department of Food & Public Distribution, under which Directorate of Vanaspati comes, Department of Agriculture & Cooperation and Department of Commerce had decided for imposition of Tariff Rate Quota (TRQ) restrictions on imports of vanaspati from Sri Lanka. Government of India has notified that duty free import of vanaspati including bakery shortening and margarine will be canalized. To ensure quality control and avoid dumping of vanaspati, it has been mandated that all imports of vanaspati will have to adhere to the guidelines prescribed under the Prevention of Food Adulteration (PFA) Act.